



Department of Justice

**United States Attorney Joseph H. Hogsett
Southern District of Indiana**

FOR IMMEDIATE RELEASE

Friday, February 8, 2013

<http://www.usdoj.gov/usao/ins/>

CONTACT: TIM HORTY

(317) 229-2409; Cell (317) 716-4250

tim.horty@usdoj.gov

HOGSETT ANNOUNCES ARREST OF TWO INDIANAPOLIS MEN IN SCHEME TO DEFRAUD COMPANY OF MILLIONS

U.S. Attorney says pair conspired to file false invoices with international shipping company

PRESS RELEASE

INDIANAPOLIS – Joseph H. Hogsett, the United States Attorney, announced today the arrest and charging of two Indianapolis residents who are alleged to have engaged in a scheme to defraud international shipping company United Parcel Service (UPS) of more than \$1.2 million over a period of two years. The pair, Dayton R. Sloan II, age 60, of D&S Construction, and Mark Gleason, age 48, an employee of the shipping company, both face charges of wire fraud and money laundering.

“When Hoosiers embrace a culture of corruption, they do more than just violate the trust they have been granted,” said Hogsett. “This type of criminal activity weakens our economy and robs us all of our sense of community.”

“That is why the U.S. Attorney’s Office has in the last year redoubled efforts to hold accountable all those who put greed and selfishness ahead of the interests of their employers and our state,” Hogsett added.

According a criminal complaint filed in federal court, a maintenance contract was allegedly signed in April 2011 between D&S Construction, Sloan’s company, and UPS. That agreement was allegedly executed by Gleason, allegedly on behalf of his employer. Per the terms of that contract, D&S was to provide general contracting services for the shipping company at more than three dozen locations in Indiana in Illinois.

Between January 2011 and December 2012, invoices totaling \$1,211,113.37 were paid by the shipping company to D&S Construction. According to the criminal complaint, all of those invoices were allegedly signed electronically by Gleason, who was authorized by the company to only submit invoices up to \$5,000.

An audit by the shipping company's security team allegedly revealed that many of these invoices were unorthodox, including work done at facilities outside of Indiana and Illinois, purchases of products such as flat screen televisions that were normally not contracted out, and invoices that bore the name of other supervisors, but were actually filed by Gleason. It is alleged that many of these invoices were completely fraudulent.

It is further alleged in the complaint that as part of this scheme to defraud the shipping company, Sloan would take the money paid by the shipping company on those invoices and deposit it in a D&S corporate bank account. Once there, Sloan is alleged to have used substantial amounts of that money to purchase hundreds of thousands of dollars in pre-paid Visa gift cards in denominations as low as \$100. The complaint alleges that these gift cards were then used by Gleason and Sloan, along with members of their families, to make personal purchases.

The complaint alleges that both the bank where the corporate account was located and another authorized seller of pre-paid Visa gift cards became suspicious of how much money was being spent by Sloan on small denomination gift cards. Sloan allegedly gave conflicting accounts as to why he was purchasing such large quantities of gift cards, which further raised suspicions. Initial subpoenas issued as part of this investigation have allegedly revealed major purchases made by Gleason using these gift cards, including more than \$7,000 in jewelry, nearly \$3,000 for corrective eye surgery, and more than \$40,000 in automobile purchases.

This prosecution comes as Hogsett has made it a priority of the U.S. Attorney's Office to aggressively combat corruption and fraud in central and southern Indiana. The case was the result of a collaborative investigation with the Indiana State Police and the Internal Revenue Service, along with substantial assistance from the shipping company's security team.

"IRS Criminal Investigation has the financial investigators and expertise that is critical to locating and following the money in these cases," said Acting Special Agent in Charge Forrest P. Knorr. "We will continue to provide resources and lend our financial expertise to the Financial Crimes Task Force to combat fraud and bring the offenders to justice."

According to Assistant U.S. Attorney Sharon M. Jackson, who is prosecuting the case for the government, both Sloan and Gleason face up to twenty years in federal prison on each count of wire fraud and up to ten years in federal prison on each count of money laundering. They also could be assessed substantial fines, and could be ordered to pay full restitution to the shipping company.

An indictment is only a charge and is not evidence of guilt. A defendant is presumed innocent and is entitled to a fair trial at which the government must prove guilt beyond a reasonable doubt.

###